

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF LEESBURG, FLORIDA
AMENDING CITY RESOLUTION NO. 7143, BY
PROVIDING THAT ADDITIONAL BONDS MAY BE
ISSUED FOR ANY LAWFUL PURPOSE OF THE CITY
INCLUDING MAKING A DEPOSIT TO UTILITY SYSTEM
FUNDS AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, pursuant to Resolution No. 7143 (the “Bond Resolution”) as supplemented by Resolution No. 7144, the City of Leesburg, Florida (the “City” or the “Issuer”) has issued its Utility System Revenue Bonds, Series 2004 (the “2004 Bonds”); and

WHEREAS, the Bond Resolution, particularly Article XII thereof, permits the City to issue Additional Bonds having an equal lien on the Pledged Revenues (as defined in the Bond Resolution) with the 2004 Bonds; and

WHEREAS, the City pursuant to a resolution adopted on the date hereof has determined that it is in the best financial interest of the City to issue its Utility System Revenue Bonds, Series 2007A (the “2007A Bonds”) for the principal purpose of acquiring and constructing improvements to the City’s Gas System, Water System and Sewer System (as defined in the Bond Resolution) and to issue its Taxable Utility System Revenue Bonds, Series 2007B (the “2007B Bonds”) for the principal purpose of providing funds to make a deposit to System funds (the “2007B Project”); and

WHEREAS, the City desires to issue the 2007A Bonds and the 2007B Bonds as Additional Bonds pursuant to the Bond Resolution; and

WHEREAS, Section 12.02 of the Bond Resolution provides that Bonds including Additional Bonds shall be issued only for the purpose of financing one or more Electric Projects or for the purpose of refunding obligations theretofore issued for such purpose; and

WHEREAS, the 2007B Project does not qualify as a Project within the meaning of the Bond Resolution; and

WHEREAS, the City hereby determines it to be in the best interest of the City and its residents that the Bond Resolution be amended to provide that Additional Bonds may be issued for any lawful purpose of the City; and

WHEREAS, Section 15.03 of the Bond Resolution provides that when a Credit Facility is in full force and effect as to a Series of Bonds and the Bond Insurer is not insolvent and no default under the Credit Facility exists on the part of the Bond Insurer, the Bond Insurer in place of the Registered Owner of Bonds may consent to supplemental resolutions and such consent shall be deemed to constitute the consent of the Registered Owners of all the Bonds secured by such Credit Facility, and

WHEREAS, the only Bonds outstanding under the Bond Resolution are the 2004 Bonds;
and

WHEREAS, the Bond Insurer of the 2004 Bonds is Financial Guaranty Insurance Company (“FGIC”); and

WHEREAS, FGIC in its consent attached hereto has certified that its municipal bond new issue insurance policy (the “Credit Facility”) is in full force and effect and that it is not insolvent and there is no default under the Credit Facility.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LEESBURG, FLORIDA, AS FOLLOWS:

SECTION 1. The “WHEREAS” clauses contained hereinabove are true and accurate in all respects and are hereby included as a material part of this Resolution.

SECTION 2. The last paragraph of Section 12.02 of the Bond Resolution is hereby amended to read as follows (words underlined are additions and words stricken through are deleted):

“Bonds issued pursuant to the terms and conditions of this Article shall be deemed on a parity with all Bonds then Outstanding, and all of the covenants and other provisions of this Resolution (except as otherwise expressly provided hereby) shall be for the equal benefit, protection and security of the holders of any Bonds originally authorized and issued pursuant to this Resolution and the holders of any Bonds evidencing additional obligations subsequently created within the limitations of and in compliance with this Article. Bonds shall be issued ~~only~~ for the purpose of financing one or more Projects, or for the purpose of refunding any obligations therefore issued for such purpose or for any other lawful purpose of the Issuer including making a deposit to the Utility System funds of the Issuer.”

SECTION 3. All prior resolutions of the City, including the Bond Resolution, inconsistent with the provisions of this Resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and, except as so modified, supplemented and amended hereby, shall remain in full force and effect.

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SECTION 4. This Resolution shall become effective immediately upon its adoption.

Adopted this 23rd day of July, 2007.

[OFFICIAL SEAL]

**CITY COMMISSION OF THE CITY OF
LEESBURG, FLORIDA**

By: _____
Mayor

ATTEST:

City Clerk

Approved as to Form and Correctness:

City Attorney

CONSENT OF FINANCIAL GUARANTY INSURANCE COMPANY

The undersigned, an authorized representative of Financial Guaranty Insurance Company ("FGIC"), hereby consents pursuant to Section 15.03 of the City of Leesburg, Florida Resolution No. 7143 (the "Resolution"), which Resolution authorized the issuance of the City of Leesburg, Florida Utility System Revenue Bonds, Series 2004 (the "Bonds"), to the amendment to said Resolution as set forth in the form of City Resolution No. _____ attached hereto. The undersigned on behalf of FGIC certifies that: (i) the Municipal Bond New Issue Insurance Policy (the "Policy") issued by FGIC in connection with the issuance of the Bonds is in full force and effect; (ii) that FGIC is not insolvent; and (iii) that FGIC is not in default under the Policy.

FINANCIAL GUARANTY INSURANCE COMPANY

By: Karen Daly
Name: Karen Daly
Title: Authorized Representative

Dated: July 13, 2007